GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture

DECEMBER 12, 2000

Inland Waterways and Rail System Are Summit Focus. The USDA-sponsored Agricultural Transportation Summit, held in St. Louis, MO, November 28-29, addressed issues of vital importance to the agricultural sector. In recent years, the Nation's Inland Waterway System, for example, has received attention due to factors such as concerns of environmental groups and questions regarding the validity of data in support of improvemets to the system. Environmental groups appear to want to maintain and/or return waterways to their natural flowing state with minimal regard for the commerce that, for many years, has been accustomed to using inland waterways for efficient and economical transportation. These issues are, understandably, very important to the viability of the agricultural sector.

At the summit, Dr. Ken Casavant, Washington State University, presented his research findings in a technical paper, entitled *"Inland Waterborne Transportation-An Industry Under Siege,"* which reflects the potential implications for waterborne commerce in the United States based on two current studies. They are the Upper Mississippi River-Illinois Waterway System Navigation Study (UMR-IWS), and the Lower Snake River Juvenile Salmon Migration Feasibility Report/Environmental Impact Statement (FR/EIS). Casavant discussed the uniqueness of the inland waterway system as it combines private use with public investment and ownership. The importance of waterways is characterized by "falling water," that is, hydroelectric power, and "flowing water," referring to the economic benefits of inland navigation. Historically, the Nation's railroads were largely developed as a feeder system to navigable waterways, which have since developed a dual role, competing with and complementing the railroads and other transportation modes. This, in turn, helps to enhance service and keep overall transportation rates competitive. Also, the interdepedence of waterways and the transport of agricultural commodities is made evident by the volume of corn and soybean movements on the Mississippi River as well as the increasing volume of grain, mostly wheat and barley, on the Columbia-Snake River System, which, according to Casavant, surpassed rail to become the dominant mode for moving grain to Pacific Northwest ports during 1998-1999. Casavant also discussed marketing practices affecting inland waterborne commerce. These may include port development constraints such as the use of larger ships, congestion near the port, and dredging and environmental concerns, as well as the North American Free Trade Agreement (NAFTA), which, while leading to a 50-percent increase in North-South trade during the last 7 years, may also potentially result in Canadian grain being transported down the Mississippi River to export markets. Questions surrounding the cost recovery for waterway improvements and maintenance and the public/private share of the investment also remain unanswered. U.S. waterborne commerce will also be affected by shifts in agricultural production, the limited capacity of railroads, and international competition, which is already being seen in infrastructure investment in South America and China, two potentially strong competitors for the U.S. foreign market.

Steve Lucas, Louis Dreyfus Corporation, urged barge and agricultural interests to contest the claims made by environmental groups and others, which may be harmful to maintaining and improving inland waterway transportation. Despite the belief by environmental groups that environmental protection should be paramount and at the expense of commerce, it is possible for waterway projects to be environmentally sensitive, stated Lucas. He also expressed fear that the delay in improving the Nation's navigable waterways, in contrast to the the navigation projects of agricultural competitor nations, would mean losing much-needed farm income as well the United States' share of world markets. Examples of improvements that threaten the competitive advantage of U.S. waterborne commerce include the dredging of South America's Parana River, the seamless shipping created by Europes Rhine-Main Canal, and China's Three Gorges Project

James Adams of American Commercial Barge Lines, the world's largest and most diversified barge line with expanding service in South America, discussed the "open access" nature of the industry, as well as the involvement of the Federal Government. Foreign governments, according to Adams, realize that developing efficiencies for waterborne commerce provides environmental benefits; however, they are hoping to emulate the relationship between the industry and government such as that in the U.S. This relationship is key to waterway improvements, according to Adams. He also noted that South America does not have the seamless transportation network provided in the United States. Internal infrastructure in South America, for example, makes it difficult for commodities to reach the waterway. *(Future Week: Railroad Service)*

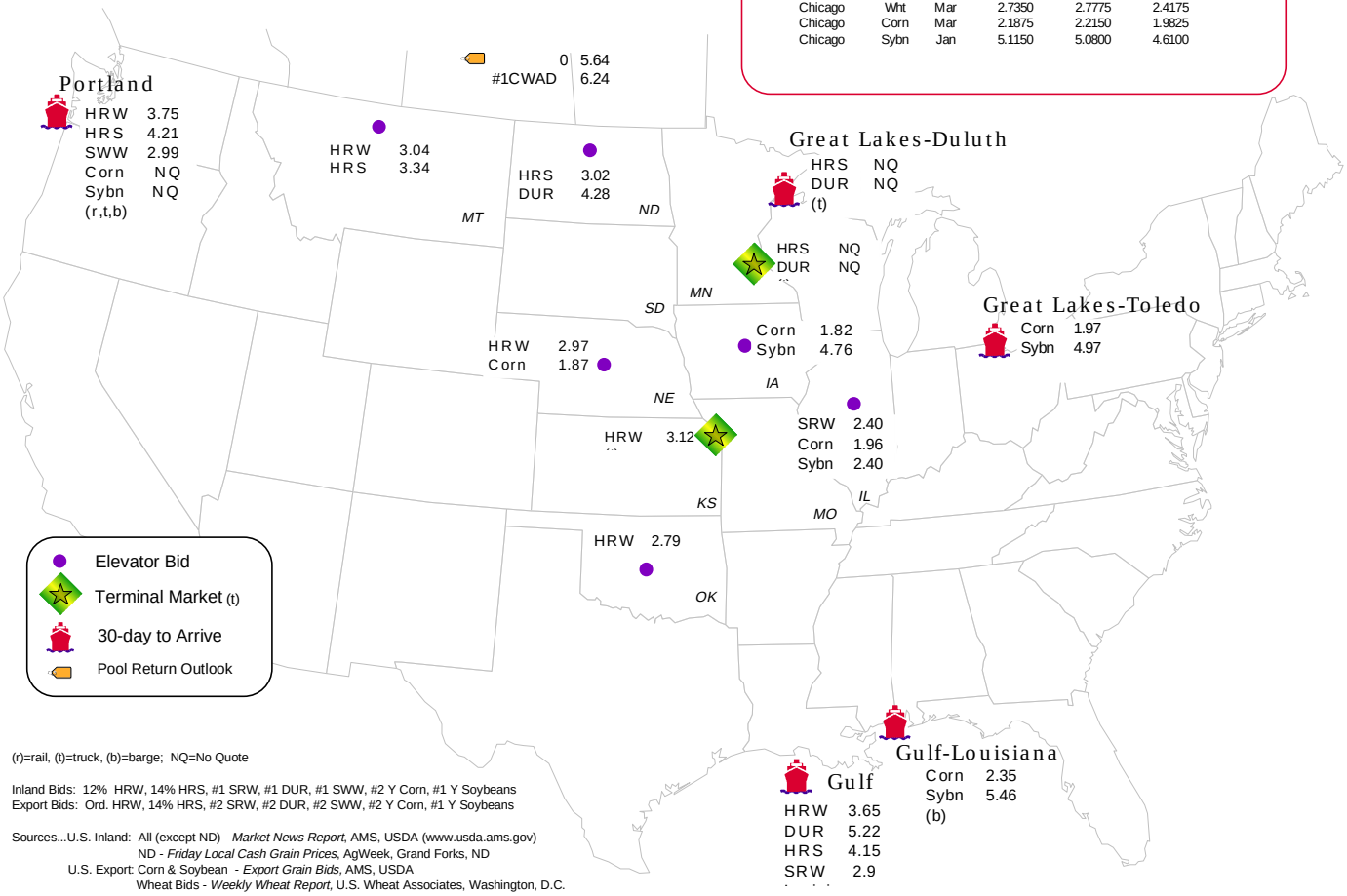
Investigation of U.S. Army Corps of Engineers Concludes. The Pentagon recently concluded its investigation of the U.S. Army Corps of Engineers, reporting that Corps officials manipulated an economic study in order to justify a billion-dollar construction project on the Mississippi and Illinois Rivers. The findings support the allegations of the former head of the study, who determined that the costs of lock expansions would far outweigh the benefits.

Correction: The November 21, 2000, Grain Transportation Report indicated that U.S. farmers comprised 2.4 percent of the total population. More recent data, however, indicate that the United State. has roughly 2.97 million farmers, comprising approximately 1.4 percent of the total population.

Report is prepared by Karl Hacker and Sigal Nissan, Agricultural Economists, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Report design by Kimberly Vachal, Upper Great Plains Transportation Institute, North Dakota State University. This report can be found on the Internet at www.ams.usda.gov/tmd/grain.htm. E-mail comments to GTR@usda.gov.

Grain Bid Summary

Futures:			12/08/00	Week Ago 12/01/00	Year Ago 12/10/99
Kansas City	Wht	Mar	3.2025	3.2625	2.6925
Minneapolis	Wht	Mar	3.2475	3.3050	3.1850
Minneapolis	Dur	Mar	5.3000	5.4500	n.a.
Chicago	Wht	Mar	2.7350	2.7775	2.4175
Chicago	Corn	Mar	2.1875	2.2150	1.9825
Chicago	Sybn	Jan	5.1150	5.0800	4.6100

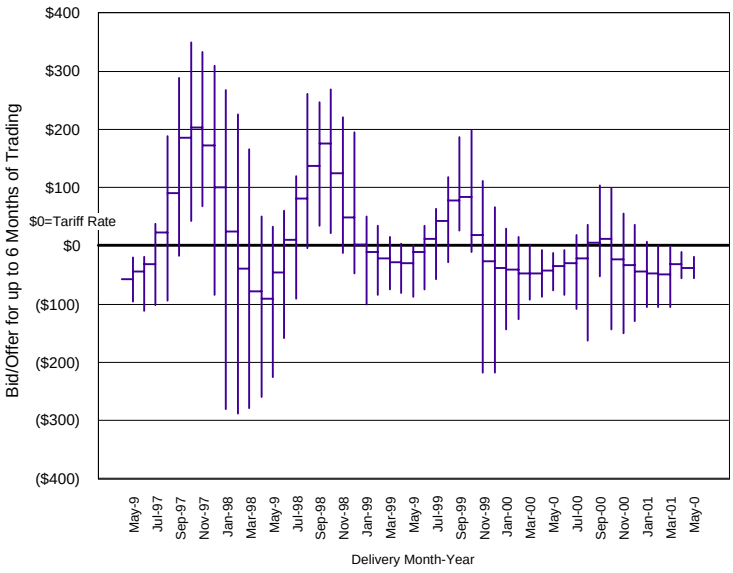


(r)=rail, (t)=truck, (b)=barge; NQ=No Quote

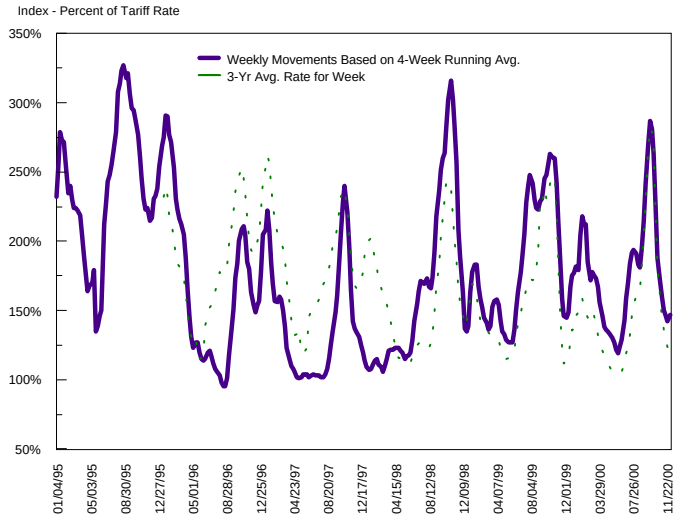
Inland Bids: 12% HRW, 14% HRS, #1 SRW, #1 DUR, #1 SWW, #2 Y Corn, #1 Y Soybeans
Export Bids: Ord. HRW, 14% HRS, #2 SRW, #2 DUR, #2 SWW, #2 Y Corn, #1 Y Soybeans

Sources...U.S. Inland: All (except ND) - *Market News Report,* AMS, USDA (www.usda.ams.gov)
ND - *Friday Local Cash Grain Prices,* AgWeek, Grand Forks, ND
U.S. Export: Corn & Soybean - *Export Grain Bids,* AMS, USDA
Wheat Bids - *Weekly Wheat Report,* U.S. Wheat Associates, Washington, D.C.
Canada: Bids in CAN$, Canadian Wheat Board, Winnipeg (www.cwb.ca)

Secondary Rail Market Bids



Spot Barge Rate - Illinois River



Rail Car 'Auction' Offerings

Delivery for:	Dec-00		Feb-01	
	Offered	% Sold	Offered	% Sold
BNSF-COT	12,540	22%	9,712	1%
UP-GCAS	5,400	2%	5,400	0%

Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com

Secondary Rail Car Market

Average Premium/Discount to Tariff, $/Car - Last Week

	Delivery Period			
	Dec-00	Jan-01	Feb-01	Mar-01
BNSF-GF	$36	$7	$(1)	$(3)
UP-Pool	$12	$(6)	$(15)	$(20)

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;
GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, $/Car - Last Auction

Delivery for:	Jan-01	Feb-01	Mar-01
COT/N. Grain	$0	no bid	no bid
COT/S. Grain	no bid	no bid	no bid
GCAS/Region 2	no bid	no bid	no bid
GCAS/Region 4	no bid	no bid	no bid

Source: T&M/AMS USDA. Data from www.bnsf.com, www.uprr.com,
(COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

Southbound Barge Freight Nominal Values

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate Bid	Rate Offer
12/5/00	St. Louis	twk	125	135
		nwk.	130	135
		2nd half Dec.	130	140
		Jan.-Mar.	130	140
	Illinois River	twk	160	170
		nwk.	170	175
		12/17	170	180
	Lower Ohio	twk	135	145
		12/17	140	145
		Jan.	150	155
		Mar.	140	145

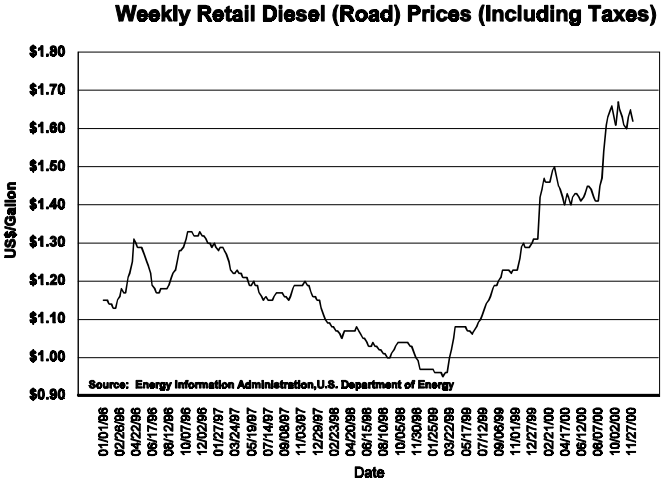
Summary Of Daily Barge Trades Reported To St. Louis Merchants Exchange.

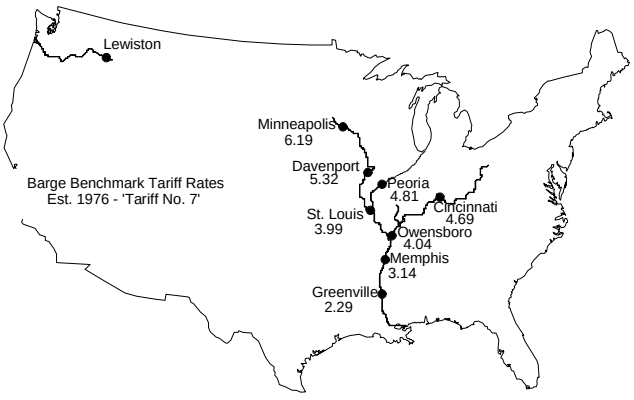
*Traded rates

Southbound Barge Freight Spot Rates

	12/6/00	11/22/00	Jan. '00	Mar. '00
Twin Cities	0	0	0	210
Mid-Mississippi	0	150	0	187
Illinois River	177	142	189	173
St. Louis	129	120	134	136
Lower Ohio	141	140	146	146
Cairo-Memphis	118	113	127	129

Source: Transportation & Marketing /AMS/USDA
nq=no quote;



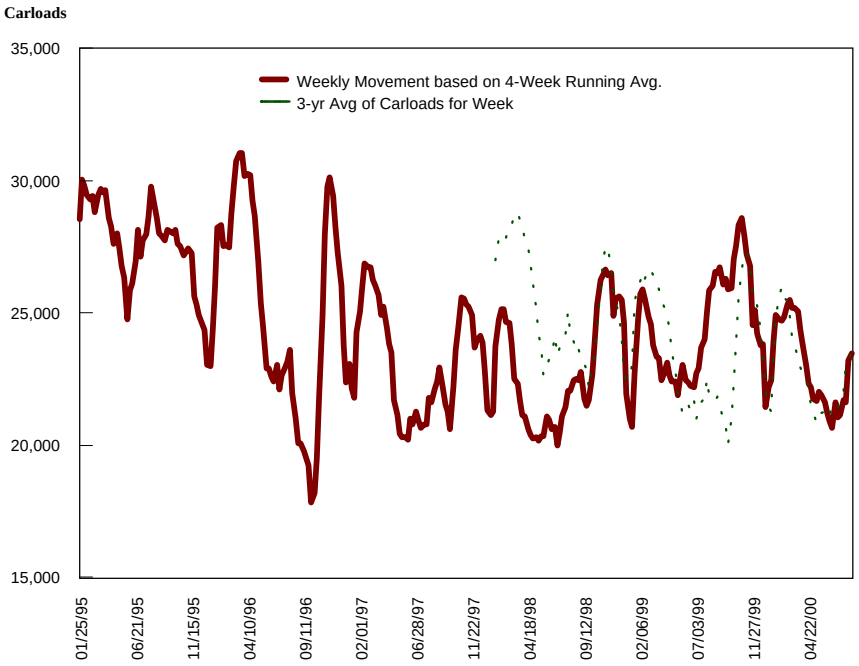


Class I Railroad Grain Car Loadings

Week Ending:	Carloads
11/18/00	21,595
11/25/00	17,261
12/02/00	21,255
Year to Date - 2000	1,112,697
Year to Date - 1999	1,184,641
Total 1999	1,269,741
Total 1998	1,186,117

Source: Association of American Railroads

Grain Car Loadings for Class I Railroads



Class I Rail Carrier Grain Car Bulletin

Grain Carloads Originated

			East			West		Canada	
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN	CP
12/02/00	0	2,927	0	3,158	8,565	340	6,265	4,988	4,468
This Week Last Year	0	3,127	1,858	3,671	11,419	424	7,642	3,310	4,297
2000 YTD	0	136,643	70,155	143,488	395,076	25,069	342,266	144,454	222,981
1999 YTD	15,522	121,679	82,454	128,002	434,515	31,333	372,136	112,094	193,345
1999 Total	15,522	132,157	88,056	138,379	465,088	33,911	398,262	121,381	206,328
1998 Total	40,192	126,128	77,811	131,158	431,459	34,503	342,609	113,568	215,005

Source: Association of American Railroads

Tariff Rail Rates for Unit Train Shipments

December 2000

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
12/04/00	45560	Wheat	Minneapolis, MN	Houston, TX	$2,050	$22.60	$0.62
12/04/00	43521	Wheat	Minneapolis, MN	Portland, OR	$3,877	$42.74	$1.16
12/04/00	46540	Wheat	Kansas City, MO	Houston, TX	$1,550	$17.09	$0.47
12/04/00	43586	Wheat	Kansas City, MO	Portland, OR	$4,240	$46.74	$1.27
12/04/00	43581	Wheat	Omaha, NE	Portland, OR	$3,905	$43.04	$1.17
12/04/00	31040	Corn	Minneapolis, MN	Portland, OR	$2,900	$31.97	$0.81
12/04/00	31035	Corn	Kansas City, MO	Portland, OR	$2,700	$29.76	$0.76
12/04/00	31040	Corn	Omaha, NE	Portland, OR	$2,700	$29.76	$0.76
12/04/00	61180	Soybean	Minneapolis, MN	Portland, OR	$2,680	$29.54	$0.80
12/04/00	61180	Soybean	Omaha, NE	Portland, OR	$2,430	$26.79	$0.73
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	$2,780	$25.23	$0.83

Source: www.bnsf.com

Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

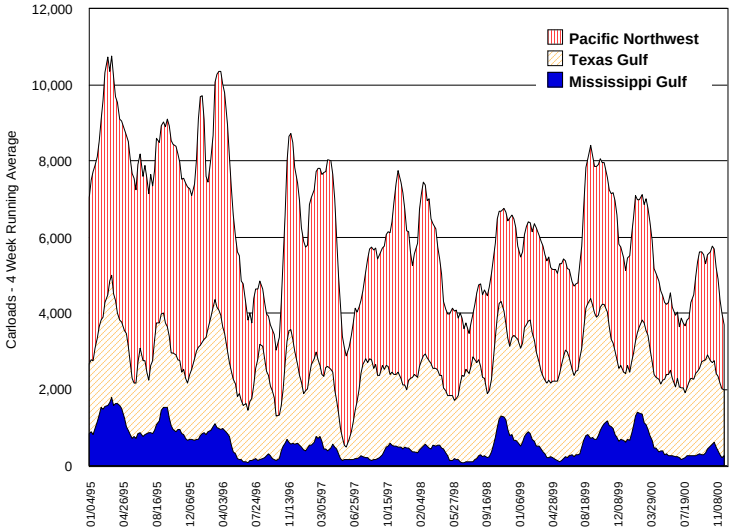
Rail Deliveries to Port
Carloads

	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
11/01/00	640*	2,190	1,993	826
11/08/00	231*	1,701	2,780	455
11/15/00	106*	1,870	2,043	519
11/22/00	230*	1,794	1,901*	358
11/29/00	309*	1,827	1,218*	367
12/06/00	397*	1,439	1,707	201
YTD 2000	25,038*	100,809	123,703*	14,211
YTD 1999	28,006	126,523	153,025	13,470
Total 1998	23,844	115,321	138,461	12,505
Total 1997	20,152	93,265	195,953	9,147

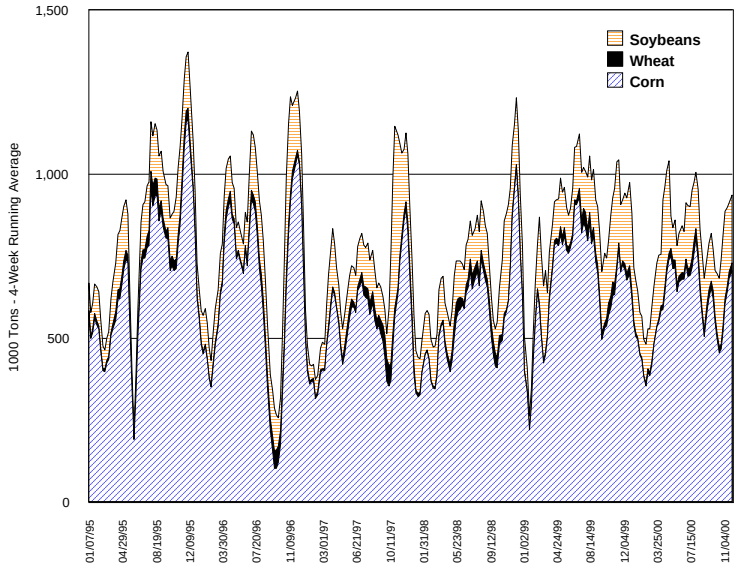
Source: Transportation & Marketing/AMS/USDA

(*) Incomplete Data

Rail Deliveries to Port



Barge Movements - Locks 27



Barge Grain Movements
for week ending 12/02/00

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	483	8	72	562
Winfield, MO (L25)	699	36	187	925
Alton, IL (L26)	820	36	224	1,082
Granite City, IL (L27)	828	36	246	1,113
Illinois River (L8)	147	2	51	200
Ohio (L52)	93	2	41	158
Arkansas (L1)	0	15	3	18
2000 YTD	31,510	2,346	9,596	45,162
1999 YTD	34,146	2,683	8,667	47,895
Total 1999	36,711	2,883	9,771	51,887
Total 1998	31,001	2,401	8,674	45,134

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.
Source: U.S. Army Corp of Engineers; n/a=not available

U.S. Export Balances (1,000 Metric Tons)

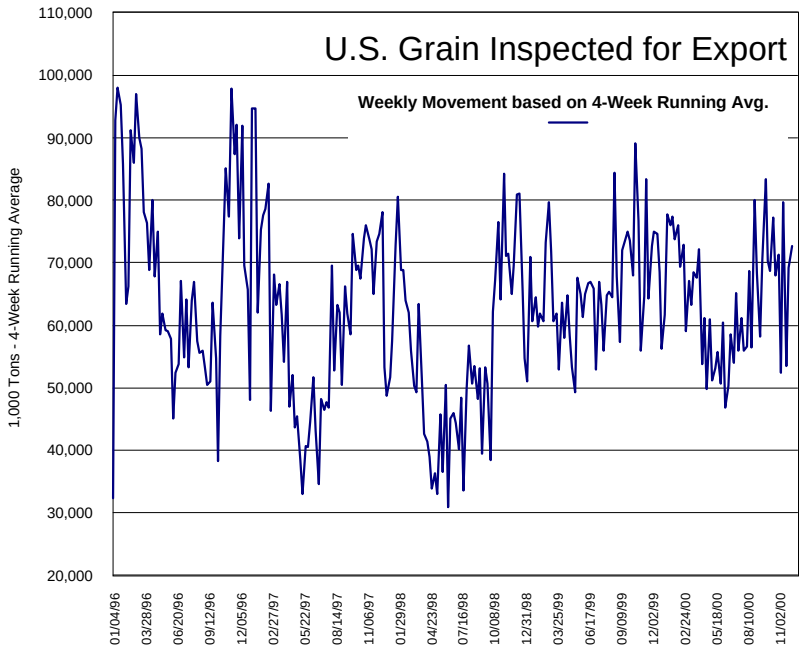
	Wheat						Corn	Soybean	Total
	HRW	*SRW*	*HRS*	*SWW*	*DUR*	*All*			
Unshipped Exports-Crop Year									
11/30/00	1,084	447	919	761	254	3,464	6,146	5,866	15,476
This Week Year Ago	950	674	932	590	244	3,390	8,356	5,114	16,860
Cumulative Exports-Crop Year									
99/00 YTD	5,124	2,491	2,817	2,525	616	13,572	12,159	8,542	34,273
98/99 YTD	6,534	1,999	2,919	2,061	488	14,001	13,215	17,713	44,929
97/98 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
96/97 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942

Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31

Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons

	Pacific Region			Mississippi Gulf			Texas Gulf		
	Wheat	*Corn*	*Soybean*	*Wheat*	*Corn*	*Soybean*	*Wheat*	*Corn*	*Soybean*
12/07/00	253	44	0	207	615	655	159	0	0
2000 YTD	9,320	5,758	1,588	6,394	33,242	16,851	6,735	464	968
1999 YTD *	9,348	8,539	1,055	6,512	33,260	13,748	8,277	549	1,357
% of Last Year	86%	132%	244%	127%	106%	113%	93%	83%	69%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

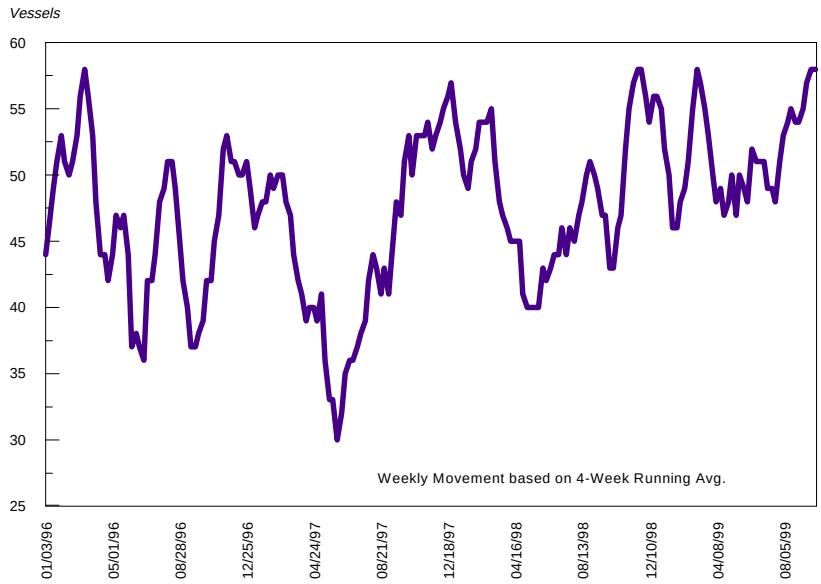
Source: Federal Grain Inspection Service * YTD-Year-to-Date ('98 = 53 week period)



Select Canadian Ports - Export Inspections
1,000 Metric Tons, Crop Year

	Wheat	Durum	Barley
Week Ended: 12/01/00			
Vancouver	2,428	159	312
Prince Rupert	63		0
Prairie Direct	405	131	69
Thunder Bay	432	125	8
St. Lawrence	1,172	810	0
2000 YTD Exports	4,500	1,225	404
1999 YTD Exports	4,310	1,276	409
% of Last Year	104%	96%	99%

Source: Canadian Grains Commission
YTD-Year-to-Date Crop Year 8/1-7/31



Gulf Region
Vessels Loaded
- Past 7 Days-

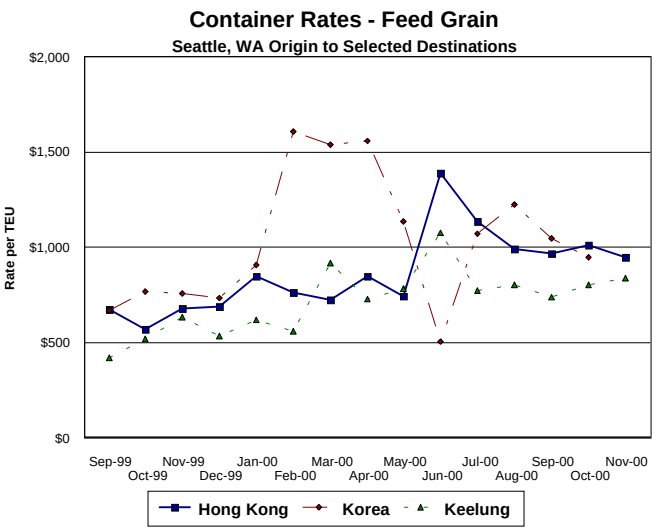
Port Region Ocean Grain Vessels

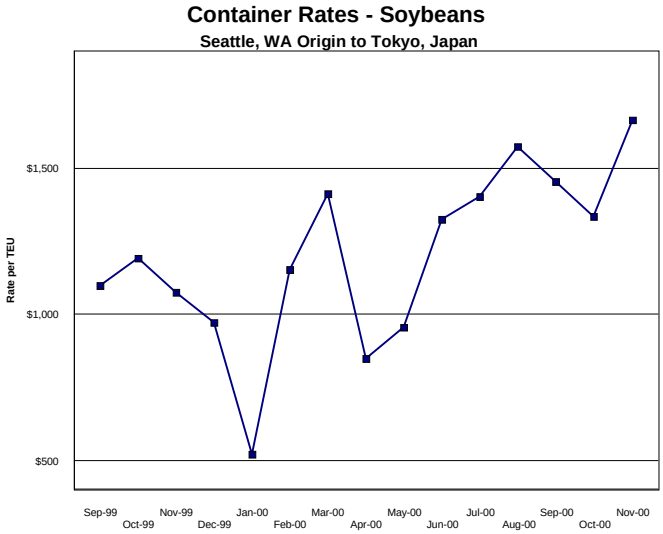
	Gulf			Pacific Northwest			Vancouver, B.C.		
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days
11/30/00	49	54	83	6			19	11	5
12/07/00	43	50	71	8			16	10	1
1999 Range	(14..47)	(39..65)	(34..80)	(6..18)			(2..20)	(2..15)	(0..9)
1998 Range	(19..62)	(34..64)	(40..93)				(1..19)	(3..14)	(0..10)
1999 Avg	32	52	65				9	9	3
1998 Avg	40	48	61				10	9	3
1997 Avg	33	45	58						

Source: Transportation & Marketing /AMS/ USDA

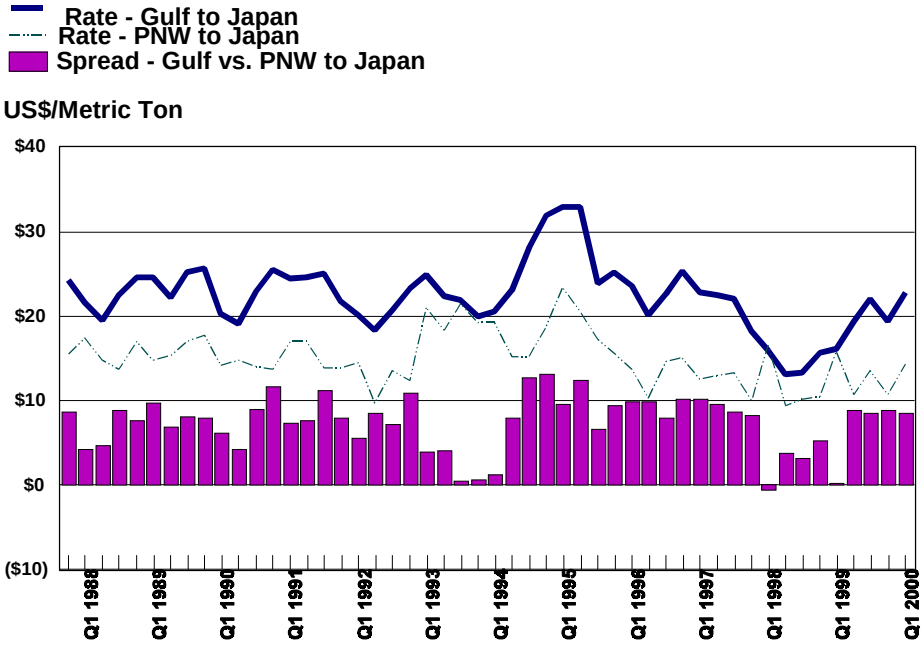
Container Ocean Freight Rates

Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share





Source: Transportation & Marketing/AMS/USDA



Quarterly Ocean Freight Rates

Quarterly Ocean Freight Rates
Average Rates & Percentage Changes, U.S. Dollars/Metric Ton - Basis

	2000 3rd Qtr	1999 3rd Qtr	% Change
Gulf to			
Japan	$24.76	$19.46	27%
Mexico	$16.11	$14.97	8%
Venezuela	$15.13	$12.64	20%
N. Europe	$18.07	$13.31	36%
N. Africa	$34.19	$18.20	88%

	2000 3rd Qtr	1999 3rd Qtr	% Change
Pacific NW to			
Japan	$15.43	$10.71	44%
Red Sea/ Arabian Sea	$29.03		
Argentina to			
N. Europe	$18.62	$13.94	34%
Japan	$36.42	$23.00	58%

Source: Transportation & Marketing/AMS/USDA; (*) rates shown are for metric ton (2,204.62 lbs.=one metric ton)

Ocean Freight Rates (Select Locations) - week ending 12/9/00

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate ($Ton)
Gulf	Mexico	Sorghum	Dec.12/18	25,000	$9.50
Gulf	Ireland	Grains	Dec.8/15	26,000	$16.75
Gulf	Europe	Heavy Grain	Dec.13/18	55,000/60,000	$12.25
Gulf	Lebanon/Egypt	Meals	Prompt	18,000	$16.00
Gulf	Egypt	Wheat	Dec.5/11	55,000	$13.00
Gulf	Sri Lanka	Wheat	Dec.8/20	50,000	$20.50
Gulf	Taiwan	Heavy Grain	Dec.28/Jan.8	55,000	$21.00
Gulf	Japan	Heavy Grain	Dec.25/30	54,000	$22.00
River Plate	Algeria	Grains	Dec.14/22	25,000	$28.50
Parana River/B. Blanca	Saudi Arabia	Wheat	Dec.15/20	60,000	$17.00

Source: Maritime Research Inc.; rates shown are for long ton (2,240 lbs.=one long ton), F.O.B., except where otherwise indicated; op=option